

# State of Connecticut

## GENERAL ASSEMBLY



### COMMISSION OFFICERS:

Susan O. Storey  
Chairperson

Cindy R. Slane  
Vice Chairperson

Adrienne Farrar Houël  
Secretary

Jean L. Rexford  
Treasurer

### EXECUTIVE DIRECTOR:

Leslie J. Gabel-Brett

### COMMISSION MEMBERS:

Marcia A. Cavanaugh  
Anne Dailey  
Barbara DeBaptiste  
Sandra Hassan  
Patricia T. Hendel  
Tanya Meck  
Robin L. Sheppard  
Carrie Gallagher Sussman  
Patricia E.M. Whitcombe

### LEGISLATIVE MEMBERS:

Senator Andrew J. McDonald  
Senator John A. Kissell  
Representative Michael P. Lawlor  
Representative Robert Farr

### HONORARY MEMBERS:

Connie Dice  
Patricia Russo

## PERMANENT COMMISSION ON THE STATUS OF WOMEN

18-20 TRINITY STREET  
HARTFORD, CT 06106-1628

(860) 240-8300

FAX: (860) 240-8314

Email: [pcsw@cga.ct.gov](mailto:pcsw@cga.ct.gov)

[www.cga.ct.gov/PCSW](http://www.cga.ct.gov/PCSW)

## Written Testimony of the Permanent Commission on the Status of Women Before the Appropriations Committee Thursday, March 30, 2006

### Re:

**H.B. 5827, AAC The Purchase of Credit for Retirement Purposes Under the State Employees Retirement System**

The Permanent Commission on the Status of Women thanks the committee for this opportunity to provide written testimony regarding the above-referenced proposal which would review the number of applications for additional credit for submitted to the State Employees Retirement Commission and the cost of such additional credit.

The PCSW supports passage of H.B. 5827 because it provides needed information to evaluate the impact of retirement credit for female state employees. PCSW monitors this issue because the ability to obtain retirement credit addresses the disadvantages faced by working women who are more likely than their male counterparts to take significant time out of the labor force for family obligations. It is a fair policy for all workers regardless of gender, but will have the greatest impact on economic security for older women.

Under current policies, women have significantly lower pension incomes than men because we tend to take more time out of the workforce for child rearing and other family caregiving responsibilities, and are more likely to work in part-time positions. On a national level, we find that 46.7% of men age 65 and older received a pension in the year 2000 as opposed to only 29.5% of women. The end result is that a greater percentage of older women live in poverty. In 2003, 12.5% of women aged 65 and older were poor compared to 7.3% of men in the same age group.<sup>1</sup> In Connecticut, an alarming 15% of women 65 years of age and older live in poverty.<sup>2</sup>

The U.S. Department of Labor documents the gap between women and men in annual median earnings for full-time year-round work, which currently stands at approximately 24.5% - that is, women earn about 75 cents on the dollar for every dollar earned by men. But a report by Stephen J. Rose and Heidi I. Hartmann demonstrates that the cumulative wage gap between men and women over a 15-year period is much higher, with more damaging consequences for the economic security of women. One of the key reasons for this cumulative gap in earnings is the greater likelihood that women will have significant breaks in paid employment in order to take care of children or other family members. Over a 15-year period, more than half of women (52%) but only 1 out of 6 men (16%) reported at least one complete year out of the labor market, with no earnings. During that period (1983-1998), the gap between women's median cumulative earnings for women in their prime earning years between 26 and 59 years old and the median cumulative earnings of men in the same age group was 62%, much higher than the annual gap of 24.5%. In real dollars, during that same 15-year period, women earned a median of approximately \$274,000 while men earned a median of approximately \$733,000 – a difference of nearly half a million dollars (\$459,000).<sup>3</sup>

According to the Social Security Administration, women workers retiring in 2000 worked an average of 32 years compared to men who worked 44 years.<sup>4</sup> The likelihood of working for an employer who offers a pension plan increases with jobs paying higher wages or those offering full-time work status.

Taking unpaid time out of the labor market costs women and their families and puts their economic security at risk. We need reforms that take into account women's specific experiences in order to protect the economic security of retired women. We strongly urge your support of H.B. 5827 so we can obtain valuable information to address this important issue.

---

<sup>1</sup> Legal Momentum: *Reading Between the Lines, Women's Poverty in the U.S 2003*, pub 10/4

<sup>2</sup> U.S. Census Bureau, Current Population Survey 2004

<sup>3</sup> Stephen J. Rose and Heidi I. Hartmann, *Still a Man's Labor Market: The Long Term Earning's Gap*, Institute for Women's Policy Research, 2004, p. iii, [www.iwpr.org](http://www.iwpr.org)

<sup>4</sup> Women's Institute for A Secure Retirement (Wiser), *The Female Factor*, 2005

